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IN BRIEF

# Climate ambition still hangs in the balance

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Ambition, or rather the lack of it, currently headlines most discussions on the Paris Agreement. The term refers to how much countries are willing and able to do to combat climate change and its adverse impacts through the pledges in their Nationally Determined Contributions (NDCs).

According to Article 4.9 of the Paris Agreement, all Parties must communicate an NDC every five years starting in 2020. Each successive NDC has to “*represent a progression beyond the Party’s then current nationally determined contribution and reflect its highest possible ambition*” (Article 4.3).

While the ambition of an NDC is nationally determined, it can be internationally enabled or stifled. The importance of the latter should not be under-estimated. The provision of finance, technology, and capacity is an important enabling factor, but countries will also peg their level of ambition on how much other countries (their peers) are willing to do. All countries have to do their fair share – and as agreed in Article 4.3, their ambition levels will have to reflect “*common but differentiated responsibilities and respective capabilities, in the light of different national circumstances*”.

The vast majority of the initial NDCs (over 80%) have a time frame up to 2030.<sup>1</sup> For them, paragraph 24 of [Decision 1/CP.21](#) applies, and they will have to “*communicate or update by 2020 [these initial NDCs] and to do so every five years thereafter*”. The problem is that this poses a number of significant risks.

## Lock in low ambition

For one, there is the risk of locking in low ambition, due to national and international factors:

- At the national level, planning for the longer-term (more than 10 years) as required under paragraph 24, introduces greater uncertainty – and therefore Parties are likely to opt for risk-averse conservative (low) ambition.
- At the international level, there is no timetable for Parties to consider enhancing previously communicated ambition: everyone is waiting for everyone else, and there is no deadline for informal discussions to ensure a just distribution of ambition, with the effect that the initial risk averse ambition remains unchanged.

## Thwart Global Stocktakes and climate fund replenishments

Under paragraph 24, there is a risk that every ten years, there is no information whatsoever on what Parties intend to do next. This not only introduces uncertainty for domestic stakeholders and hampers advance planning, but also thwarts:

- the *ex ante* component of every second Global Stocktake, and by extension the ability to assess whether the global community is on target to achieve the 2°C/1.5°C trajectory; and
- the ability to take into account the financial needs of developing countries as expressed in (‘conditional’) NDCs in the course of the replenishments of the multilateral climate funds. This may disadvantage developing countries in financing their NDCs.

## Additional political risks

The further away a target, the greater the temptation to postpone action, with the intention of compensating later in the implementation period. This is a high-risk strategy.

Also, while longer-term targets can be updated in the mid-term, updating a previously communicated ambition may not generate the same public and political attention than the setting of a new target.

## A simple and elegant remedy: The Ambition Cycle

These currently prevailing risks to ambition under the Paris Agreement can be mitigated through two simple process requests, for Parties:

- to communicate, by 2025, their next NDC ending in 2035 ('with a time frame up to 2035'); and
- in 2025, to consider enhancing ('updating') the ambition of their initial 2030 NDC; and to repeat these two steps *ceteris paribus* every five years thereafter.

This 'Ambition Cycle'<sup>2</sup> will:

- Shorten the horizon of projections necessary to formulate NDCs.
- Provide for a five-year assessment phase.
- Create an ambition enhancement timetable that creates the enabling conditions for Parties to update their previously communicated ambitions in a manner that leads to a fair outcome, reflecting everyone's highest possible ambition as referred to in Article 4.3.
- Enhance confidence in, and facilitate predictability, for financing and means of implementation by ensuring that the periodic needs determination reports of the Standing Committee on Finance and the replenishments of the multilateral climate funds can be informed by, and take into consideration, the needs of developing countries as reflected in their NDCs.
- Increase support for formulating NDCs by providing an NDC time frame common to all, and facilitate planning on how market mechanisms can be used to raise ambition and avoid double counting under Article 6.
- Reduce the temptation to postpone action.

It would thus remedy the shortcomings of the 10-year time frame without impeding its advantages. At the same time, it is compatible with the '5-year' and the '5+5-year' options tabled by Parties in the common time frame negotiations. The proposed Ambition Cycle can unite all the options on the table in a way that retains all their advantages, while avoiding the significant risks they pose on their own.

For a more detailed account of the issues raised here, see:

Müller, B. & Kumarsingh, K. (2020). *The risks of not adopting a Paris Agreement Ambition Cycle at COP 26 in Glasgow*. OCP Blog. August.

<sup>1</sup> Climate Watch (2018). World Resources Institute. Only ten countries have a time frame up to 2025: Ecuador, Micronesia, Gabon, Palau, Saint Vincent and the Grenadines, Samoa, Timor-Leste, Tuvalu, United States of America, and Uruguay

<sup>2</sup> See also *Complete the Ambition Mechanism*